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DCI/IC 74-0982

18 March 1974

MEMORANDUM FOR: [REDACTED]

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SUBJECT : Re-Do of Part I of DCI "Perspectives" Paper

1. Mr. Colby reviewed the draft "Perspectives for Intelligence Planning" on 16 March with [REDACTED] and me and requested a complete re-do of the paper to make Part I more future oriented and more closely linked with the NIE judgments, and Part II more directive in nature.

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2. A copy of Part I, with Mr. Colby's notes on the pages, is attached.

3. His oral comments re Part I stressed the following:

a. The length and the outline are about right, but the discussion of trends in the world situation seems to talk across rather than in accord with the judgments in recent NIEs. In particular, he felt that the discussion of Sino-Soviet relations did not reflect NIE judgments.

b. The Soviet section focuses on various aspects of the threat and should more properly consider the more subtle implications of the detente-threat interrelationships and the vulnerabilities of the Brezhnev leadership.

c. The section on "Third World Turbulence" properly focuses on the future, but other sections put too much emphasis on past and present.

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4. Mr. Colby quite clearly wants Part I to indicate as specifically as possible what developments in the world environment during the next several years are going to require new or improved intelligence capabilities. Identification of these in Part I will enable Part II to be written as a directive specifically identifying the actions which the Intelligence Community must take.

5. Before the next draft of Part I is written, Mr. Colby suggests that a brainstorm session be held with the NIOs.

6. It is requested that PRG develop a detailed outline for the new Part I, discuss this with George Carver and arrange a brainstorm discussion with the NIOs. Since the writing of Part II will be dependent on the contents of Part I, hopefully the new draft of Part I will be available by close of business 23 March. A conference will be held with the Deputy Directors next week on Part II, and the draft of Part I should be available for use at that meeting.

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[Redacted]  
Acting D/DCI/IC

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Attachment  
As stated

DCI/IC/CS/[Redacted] is (3/18/74)

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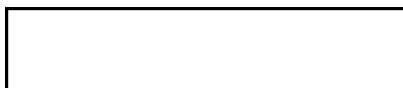
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15 March 1974

PERSPECTIVES FOR INTELLIGENCE PLANNING

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DCI/IC 74-0981

15 March 1974

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT : Perspectives for Intelligence Planning

1. Attached is a redraft of the subject paper in which we have attempted to respond to your guidance of 13 March.

2. If you could review this prior to your departure and indicate your approval of the approach and general content, we could submit copies to the USIB and IRAC members for comments which would be back to us by the time you return to Headquarters.

25X1 3. [ ] and I are available to meet with you for further discussion at your convenience any time Saturday.

[ ]

Acting D/DCI/IC

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*Will begin with Nicos, and negative ~~copy~~  
going outside. per [ ]*

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*There needs to be a careful correlation between the points made here in recent NIE's - eg détente, Indian Ocean, etc*

15 March 1974

## PERSPECTIVES FOR INTELLIGENCE PLANNING

### INTRODUCTION

1. This statement of perspectives for planning presents an overview of the major demands which will confront US Intelligence during the next several years. It identifies areas in which redirection or changes in emphasis *are anticipated for* ~~will be required~~ within the Intelligence Community.

2. Current-year guidance is provided by the "Key Intelligence Questions" and the program for their evaluation, by the DCI's memorandum of 6 September 1973 on "Objectives for the Intelligence Community," which the President has approved, and by the "National Foreign Intelligence Program Management Objectives for FY 1974," dated 4 December 1973, which was approved by the Intelligence Resources Advisory Committee.

3. Part I, "Trends in the World Situation," is a projection of political/economic/military/technological developments which are likely to have an impact on the intelligence consumer needs to which the Community must be responsive.

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4. Part II, "The Intelligence Imperatives" sets forth planning guidance for US intelligence in the kind of international environment which is described in Part I.

5. Part III, "Management," deals with management level actions needed to improve the overall functioning of the Intelligence Community in a period of changing problems and increased governmental attention to the effectiveness with which the Community is operating.

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I. TRENDS IN THE WORLD SITUATION

A. The Great Power Adversaries

1. Relations among the world's major powers are shifting into new and sometimes novel configurations. Tensions between the US and each of its two principal adversaries, the USSR and China, are easing, and the character of the relationship between East and West in Europe is changing in a perhaps fundamental way. At the same time, the cold war between China and the Soviet Union shows little or no promise of imminent thaw, and partly because of the improving climate of relations between the two superpowers, ties between the US and Western Europe have begun to fray.

2. Few matters of importance in world affairs will arise in the 1970s which will not be affected by the state of relations between the US, the USSR, and China. Two basic circumstances <sup>will</sup> have shaped the course of these relations ~~in recent years~~: the USSR's achievement of strategic nuclear parity with the US, and the emergence of the military confrontation between China and the Soviet Union in Asia. These factors have combined in various ways to reinforce the trend in both Moscow and Peking toward policies of detente vis-a-vis the West. Specifically, for example, the desire of each communist power to prevent the other from gaining relatively greater favor with Washington

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has encouraged both to proceed with some restraint vis-a-vis the US, even in the face of strong US initiatives.

3. But this is not to say that acute Sino-Soviet hostility and the degree of restraint vis-a-vis the West which is encouraged by that hostility are fixed elements in the three-power relationship. The Chinese are obviously devoting much energy to increasing their military defenses vis-a-vis the Soviet Union; <sup>and</sup> ~~at some point during the~~ <sup>is ing</sup> ~~1970s,~~ Chinese nuclear power <sup>ing any</sup> ~~will~~ reach a level ~~which will almost~~ <sup>MR</sup> ~~certainly~~ preclude a rational Soviet decision to resort to military action against Peking. ~~This, together with the possible development of a limited Chinese nuclear capability against the US, might make it easier for both Peking and Moscow to move toward some form of rapprochement.~~ It is ~~also~~ possible, ~~of course,~~ that independently of developments in the military sphere, the post-Mao (and perhaps post-Chou) regime in Peking will seek a real lessening of Sino-Soviet tension. Though chances of a fundamental reconciliation between China and the USSR seem ~~very~~ remote, even a limited improvement in relations could significantly affect both powers' attitudes toward detente and, of course, <sup>alter</sup> ~~the~~ calculations and policies of the US.

4. The general, though separate, movement in Moscow and Peking toward more relaxed relations with the US and the West does not in any event preclude sharp competition between the powers, or

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This need be cleared writing



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imply that the stakes of the game between the great powers--and especially between the superpowers--have diminished. On the contrary, though it now manifests itself in new arenas and in new (and often less militant) forms, the contest between Moscow and Washington goes on, and for roughly the same old reasons and for the same-size pot.

5. Nor do detente and other changes on the world scene reduce the significance of the US-Soviet strategic equation. Such creatures of detente as SALT and MBFR demand a major effort to monitor compliance. And, though recent Soviet behavior indicates an apparent willingness to accept some form of parity with the US in numbers of strategic weapons, the pace and scope of current Soviet efforts to develop a variety of new or improved strategic systems suggests that Moscow is intent on achieving significant qualitative advances in its offensive forces. This, coupled with improvements in Soviet strategic defenses, could enable the USSR to gain a decisive strategic advantage over the US.

These are positive targets

Re-write short sentences

B. The US and Other Major Power Centers

6. The new pattern of relations among the three great powers, the climate of detente in East-West relations, and the growth over the past decade or so of a general sense of West European self-assertiveness have helped to thrust another major power center,

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This paper is about the future

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Western Europe, into the area of prime intelligence interest. The Europeans are preoccupied with their own Community concerns, increasingly relaxed about the Soviet military threat (at least in the near and mid-term), and feel free to serve their own national interests (both economic and political) with less regard for those of the US and sometimes for those of the Atlantic community as a whole. They are at the same time becoming more apprehensive about the durability of the US commitment to Europe, more suspicious of US motives vis-a-vis the USSR, and, as a result, at least tentatively more interested in the concept of a common West European defense system. And now the European mood has been further complicated by unhappiness about US policies in the Middle East and Arab actions affecting the supply of oil, concerns attending political and economic disruptions in several of the major states, and--not unrelated--apprehensions and enmities stemming from an apparently rising level of discord within the EC.

7. Moreover, serious issues attend the development of detente in Europe. The West Europeans--though still suspicious of ultimate Soviet intentions--are eager to expand economic relations with the USSR and Eastern Europe and to achieve a general political relaxation in Europe. Thus, in the era of Ostpolitik, the cohesion and

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effectiveness of NATO are by no means assured. The Soviets, for their part, seek credits and technology in the West but are not about to sacrifice their dominance in the East for the sake of detente. The East Europeans themselves are torn between their hopes for the kind of greater autonomy East-West rapprochement could bring and their fears that the West might, in the name of detente, concede to Moscow the permanent right to rule its own sphere in Eastern Europe. Romania, already in effect a non-practicing member of the Bloc congregation, is especially concerned about the possible effects of cordiality among the large powers on its own future as a small power.

8. Elsewhere, Japan, like Western Europe, has begun to move away from its close association with the US and to emerge as a factor of growing consequence in world affairs; it now plays, in fact, an important worldwide economic role, a gradually growing political role in Asia, and a special economic and political role vis-a-vis both China and the USSR. Smaller states aligned with the US, including Canada, Australia, and several key Latin American countries, have also tended in recent years to become more self-reliant and less inclined to follow the US lead.

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*This section is better than the one in the future - to 3-5 year projections but its projections are suspect -*

C. Turbulence in the Third World

9. The evolution of the Arab-Israeli conflict and the Soviet role in the Middle East will remain major concerns of the US for some time to come. US attention is now focused on the development of a peace settlement, Arab use of oil resources as a political weapon, and the supply of arms and technology to the Arabs, particularly from the USSR and France.

10. The Soviets will seek vigorously to offset any decline in their influence in the area stemming from a US-sponsored settlement. Yet the movement toward settlement is not without advantages for the USSR insofar as it reduces the chances of another round of hostilities (which could threaten severe damage to the interests of their clients and risk both their own direct involvement and confrontation with the US) and insofar as it prepares the way for a reopening of the Suez Canal (and freer and quicker Soviet access to the Indian Ocean).

*This clashes with NIE theme*

11. It is unlikely that the fighting in Southeast Asia will cease before 1980, if then. All countries in the area face ongoing or latent insurgencies. Defeat by insurgents of the forces of the incumbent governments--especially those of South Vietnam, Thailand, and the Philippines--could have serious consequences for US interests. Elsewhere, in the Third World, the large non-aligned countries, such as India and Indonesia, and the strategically located states, such as

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Somalia and Singapore, will continue to attract Soviet interest and, where Moscow finds it feasible, a Soviet presence. Competition in these areas with the US and in some instances China will persist and perhaps grow.

12. ~~The Balkans~~, South Asia, Latin America, and southern Africa (where black and white-dominated nations confront each other) are all areas where eruptions are possible and where US interests *may be* involved. In the Balkans, the passing of Tito might tempt the Soviets to try to return Yugoslavia to the orthodox communist fold. In South Asia, the situation in Pakistan and the relationship between Pakistan and Afghanistan remains unsettled. And in Latin America, the USSR's military presence in the Caribbean and its influence in Peru and the emergence of increasingly nationalistic and often anti-US regimes pose potentially acute problems for the US.

D. Emerging Worldwide Problems

13. World politics, world economics, world difficulties *Non-statement* seem almost daily to grow more complex. New kinds of international problems--such as the pace of technological change--and fresh perceptions of some old problems--such as the availability of vital natural resources and the overall impact of environmental pollution--demand, inter alia, the collection of new categories of information. Certain specific developments in recent times--including the growth of the

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multi-national corporation and the increasing willingness of small countries with enormous resource wealth to challenge the economic practices and positions of much larger and stronger states--have obviously affected US world interests in unfamiliar and uncertain, though consequential, ways. Finally, a quite different sort of development seems more and more likely to have repercussions of international import. All over the world, and in all types of societies, there is a growing tendency among ethnic and cultural groups to demand, often violently, that their institutions and aspirations be accorded special recognition; this is a tendency which could easily become more disruptive as the decade progresses.

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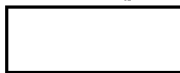


## II THE INTELLIGENCE IMPERATIVES

1. The environment within which foreign intelligence activities of the United States will be conducted and priority needs met has been described in Part I. ~~The actions necessary to insure that the Intelligence Community is prepared to respond effectively deserve consideration.~~

2. Given these longer range perspectives, the ~~operative~~ question is how they will impact on the Intelligence Community planning, methods of analysis, allocation of resources, and managerial attentions. [The range of considerations outlined in Part I and the increasing tempo of change, interdependencies, and recurring crises -- often separated widely in geography -- are given in this equation. They dictate a flexible substantive response capability which needs to be consciously designed in a Community context and in our resource direction, especially manpower development.]

3. This design requires more attention to the identification of consumer needs and to the means and methods by which we do our analysis and communicate the intelligence product in the decision-making equation. It involves an accurate awareness of both changing world patterns and interdependencies as described in this paper and the decision processes used by those intelligence serves -- processes which alter with personalities and executive style and which are not constant



~~or structured.~~ Coupled with these primary considerations our design of a flexible substantive intelligence system for the next years must place sharp focus on those constraints which influence our methods of integrating all source data and communicating it in responsive format to the decision maker. These include constraints of time, access to information, access to decision levels, and analytic methodologies as well as coordination of technological advance and resources.

4. The machinery of the National Security Council Intelligence Committee (NSCIC), the United States Intelligence Board (USIB), the Intelligence Resources Advisory Committee (IRAC), and the Executive Committees (ExComs) provides adequate mechanisms to assure action is taken to reflect the Community's sensitivities to these dynamics. The task is to make those mechanisms work effectively and increase open and constructive communication and joint study.

5. Existing plans derived from or passing through these mechanisms to improve requirements definition, to introduce new analytic methodologies, to adjust the resource mix, and to construct communication bridges between data banks need to be examined in context with the substantive perspectives contained in this paper and from a Community vantage point. Key to this task will be the development of simple but improved methods to audit and evaluate performance against well established objectives.



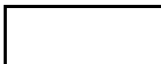
Adaptation of structural relationships so as to improve performance should follow.

6. Intelligence Community managers should have a program to measure overall performance against questions such as the following:

- Are collection activities focused and timed so that intelligence analysts can respond to the important continuing requirements of the intelligence customers? Are the activities flexible enough to react to changing circumstances and to crisis situations?
- Have we adequate facilities and professional manpower to insure collected data is processed and timely finished intelligence is produced and communicated?
- Does the sum of national and operational intelligence capabilities support both national needs and specialized field requirements of the military commands and forces?
- Are resources applied with full attention and demonstration of cost-effectiveness and in accord with a scale of relative priority of intelligence tasks?
- Do planning and programming activities fully anticipate changing future needs of consumers even while the Community is responding to today's problems?

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7. It should be possible against a set of questions of this type to determine -- albeit subjectively -- whether our performance is on target.

A. Strategic Intelligence on the Great Powers

8. US information on the Great Powers' strategic posture has advanced considerably with the advent of an array of expensive and highly technical collection systems. But there are still many uncertainties about the technical, military, economic, and political programs, plans and intentions of the Soviet Union and the Peoples' Republic of China. The Intelligence Community will have a continuing task of reducing these uncertainties so as to buttress the objectives of SALT and MFBR negotiations to achieve an acceptable stabilization. The equation in this balance will depend on the reliability and timeliness of intelligence monitoring.

Good  
✓

9. The major portion of the intelligence resources projected over the next years, particularly in collection, will be focused on a few targets of very high concern at senior policy levels, e.g., SALT, MFBR, nuclear testing, and technological advances. Because the USSR and the PRC will remain closed societies and each is highly competent at concealing information on its plans, programs and intentions, continued and

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✓

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primary reliance will be put on expensive and sophisticated technical collection sensors. But as access improves, particularly if detente succeeds, overt data may become more readily available and some opening for possibilities of human collection improvement in these areas could be expected. New methods of analyzing both the technical data and information obtained through other traditional reporting methods will be of critical importance as well.

*This says nothing*  
10. Rising costs will certainly press hard on the major technical collection systems, and, when careful investigation supports such action, the essentiality of some of these projects must be questioned and activities phased out. At the same time, new capabilities are needed to obtain information not now being collected and to improve the timeliness of acquired information. Given budgetary and manpower constraints harder choices will have to be made, especially in setting the relative priority of tasks assigned to collectors.

11. Processing and exploiting information acquired by technical sensors on Soviet and PRC targets poses two problems which need a heavy dose of management attention: (1) improvement of techniques for gleaning from the mass of potentially useful data that which is actually needed by intelligence analysts; and (2) better means of assuring that the processed output is in a format which enhances its utility to

*ok*

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[ ]  
the analysts. The need for the identification and application of priorities to cope with the volume of information collected or collectable is at the heart of the difficulties associated with intelligence processing.

12. Ease and convenience of processing must not be allowed to override consideration of the utility of the information being processed. Unless the end product is in a format directly useful to intelligence analysts, there is a great risk that the collection/processing effort will come to naught. Improved interchange between analysts and processors is essential; the analysts must understand the processing problem and the processors must appreciate the information needs of the analysts.

As  
don't  
say  
nothing

13. Collection and assessment of the data needed to keep the United States abreast of what other major powers are accomplishing at the frontiers of technology -- particularly as such research and development relates to development of new or improved strategic capabilities -- is one of the more important tasks of the Intelligence Community. Close linkage between technical intelligence organizations and key US research and development agencies will be essential. The R&D Advisory Council of the IRAC should play a key leadership role in this and provide the advice by which the Intelligence Community can be kept aware of state-of-the-art improvements in technology to improve intelligence collection and processing capabilities. It should also serve to focus the

Community on R&D consumer needs and technical assessment questions for which improved intelligence is required.

14. In sum, the focus of management attention regarding intelligence on the major Communist powers over the next several years should be on:

-- Insuring the most cost effective use of the expensive technical sensor systems which are the heart of the US collection effort against strategic targets.

? *Questionable -*  
-- Limiting clandestine activities to those carefully selected targets against which careful assessment indicates an appreciable chance for successful operations.

-- Paying increased attention to technical processing capabilities in order to enhance the usefulness of the processed output to analysts and intelligence consumers.

-- Maintaining the skill levels of the sizable group of analysts who through the years have acquired a speciality on Soviet targets.

-- Expanding both collector and analyst competence with respect to China, with increased attention being paid to development of more Chinese linguists.

-- Insuring that the United States is kept abreast of foreign achievements at the frontiers of technology which could affect the strategic threat and for which US countermeasures may be needed.

*No - we assume that planning guidance tells us which systems*

*Hope they don't decline*

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16. Information needs which can be met only by a SIGINT effort or clandestine operations must be clearly identified and the consequent collection activities focused only on that which is essential. *+ little of that* The requirement for information which the countries involved can be expected to try to keep secret is clearly recognized, but attention to the political sensitivity of the operations involved also must be thorough and careful. ✓

17. Problems of information analysis will relate primarily to the potential overabundance of marginally useful data which is overtly available, and selectivity will be essential. This is an area in which sophisticated computer-based support for analysts can be of considerable importance.

18. It should be recognized, of course, that much of the information which the Intelligence Community is being expected to provide involves data which in the past has not been considered to fall within the purview of intelligence agencies. Other organizations of the US Government, personnel of which do not consider that their reporting is intelligence per se, have been and continue to be involved in the acquisition and analysis of foreign political and economic information. Arrangements must be worked out with various State, Treasury, Commerce and Agriculture Department agencies, in particular, to insure a properly coordinated response to the overall US needs for information. It will be particularly useful for intelligence organizations to take the lead in developing the necessary cooperative arrangements.

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19. Production organizations should insure that if analytical specialists are not already at hand for each of the industrially developed countries of the world, such analysts are developed with a view to having them make careers out of that specialty. The need for specialists on either individual or selected groups of the less developed countries also should be studied, and special effort made to strengthen analytical capabilities wherever needed. Key cadres, even though they include only a very few personnel, who know individual key countries in great depth are going to be needed. The Community should be able to turn to selected analysts with confidence that they can deal with recognized authority on matters which relate to the country on which they have specialized -- and those individuals must be given confidence that their careers are not going to be constrained by the fact that they have concentrated on becoming experts on particular geographic areas.

Lets  
Train  
+  
develop  
them  
(that is  
planning  
guidance)

20. In sum, the acquisition and analysis of intelligence which the United States Government needs on the major non-Communist countries of the world calls for management attention to such matters as:

-- Optimizing utilization of open source materials through careful identification of needs and selective exploitation of data. ~~Computer based support of analysts~~ can be particularly important here.

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New systems of  
research in depth as  
needed



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-- ~~Limiting collection by~~ technical sensors and clandestine means to those ~~few~~ <sup>of importance</sup> important targets which can be attacked in no other way.

-- Developing cadres of analytical specialists capable of providing sophisticated estimates and forecasts, with increased attention to non-military categories of intelligence.

-- Arranging with other organizations of the US Government which report on foreign political and economic matters to assure a coordinated attack on responding to information needs which involve the Intelligence Community.

C. Reaction to Crises

21. The needs for intelligence on the undeveloped countries and on those countries just now moving into the industrial world, as well as the need for intelligence on countries faced with Communist or Communist-supported military threats, relate in large measure to anticipation of crises which will affect basic US security and policy interests.

  
and on Cuba, to cite the more obvious cases, arise largely from the fact that these countries are, or there is likelihood they will be, involved

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in situations which will risk a US confrontation with one or more of the other major powers. Such risk of confrontation need not be truly major in order to involve intelligence capabilities and resources to a considerable degree.

23. The potentiality for this kind of crisis exists in widely separated areas of the world, and therein lies a basic requirement for flexibility in the disposition and application of intelligence assets.

24. Considerable attention is being given to improving US capabilities for security posture management on a worldwide basis, and because of the Intelligence Community's responsibilities for the provision of warning, it must be intimately involved in the functioning of the posture management system.

25. The need to enhance intelligence performance in crisis situations calls for a continuing focus on the efficient functioning of the indications and warning system, on avoidance of stereotyped approaches to analysis of the situation in periods of developing crisis, and on provision of intelligence judgments to consumers on a timely basis. Programs underway to use secure communications nets as a means of speeding the production of coordinated factual bulletins and timely analyses must have full Community cooperation. Automated data support for analysts is particularly important in crisis situations, and the Intelligence Community must keep abreast of the state-of-the-art in this field.

26. The requirement for anticipation of developing crisis situations and for timely response in periods of crisis lend added weight to the importance of the ongoing efforts to identify areas in which national and operational intelligence collection and production can better interface. This is a two-way street, and in the interest of efficient use of limited resources, care is needed to insure that unnecessary redundancies are avoided in the exercise of national capabilities and the activities of operational field elements of the Department of Defense.

27. While liaison with foreign intelligence organizations has value in a number of areas, this type of liaison could prove particularly useful in regions where crisis situations may occur. Careful attention should be given to strengthening liaison arrangements and expanding reliance on non-US intelligence assets where investigation indicates that foreign intelligence services can provide a unique capability or can furnish reliable information at less cost than if US sources were used to acquire the same information.

D. Emerging Worldwide Problems

28. The new intelligence problems now calling for increased intelligence collection and analytical attention tend to be worldwide in nature -- the availability of and trade in scarce natural resources, crop prospects, environmental data, law of the sea matters, illicit narcotics traffic, and anti-US terrorism.

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29. The basic problems here are twofold: First, developing a capability for selective acquisition of the needed information, much of which is available through overt sources but much, also, calling for selective application of clandestine activities; and, second, building cadres of key specialists with the expertise needed for meaningful analysis. ✓

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operations. Greater attention will have to be applied to overt collection opportunities of all kinds, including more effective use of Foreign Service and Treasury Department reporting and the development of closer ties through the USIB mechanism with other domestic organizations such as the Commerce and Agriculture Departments.

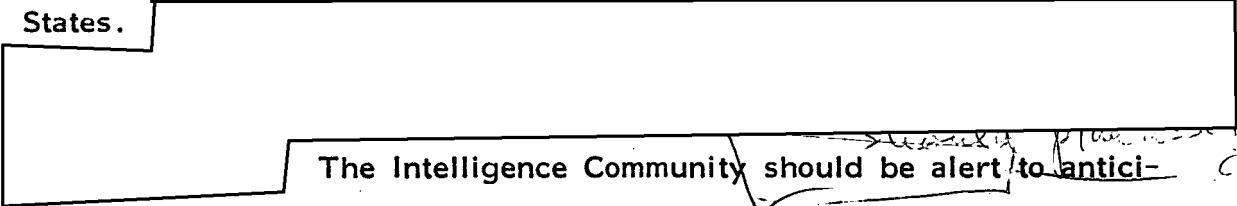
31. Attention also must be given to selective recruitment of analysts whose training and background is such as to strengthen the capabilities of production organizations to cope with problems in these new areas of interest. Training programs should be developed to provide

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*This is the kind of planning guidance that should be provided in detail as it is necessary*

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opportunities for experienced intelligence officers to acquire an ability to  
apply their talents in new fields.

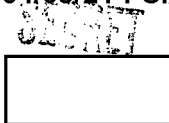
32. Some of the less developed countries otherwise warranting  
little intelligence attention have risen in target priority because of their  
involvement in special worldwide problems of importance to the United  
States.

  
The Intelligence Community should be alert to ~~anticipate~~  
~~ate~~ situations in which emerging new problems are going to require  
increased attention to particular countries of the underdeveloped areas  
of the world.

33. In terms of the overall intelligence effort the emerging new  
problems may not require the application of large amounts of intelligence  
resources, but the need for cadres of true experts in each of the emerging  
problem areas calls for careful management attention.

E. In-House Problems of General Application

34. While reaction to matters described in Sections A through  
D pose planning problems which tend to be specialized by area, a  
number of in-house problems having general application also should be  
examined.



35. Considerable ~~progress has been made to improve awareness~~  
~~within the Community of the particular needs of the major users of~~  
~~the finished end product, but more remains to be done in promoting~~ of  
direct consumer involvement in articulation and updating of intelligence  
needs. <sup>is called for</sup> The manner in which the "Key Intelligence Questions for FY 1974"  
<sup>are</sup> was ~~developed is~~ one move in this direction. So also is the charge to  
the National Intelligence Officers that they maintain continuing liaison  
with the principal users of intelligence in each NIO area of responsibility.  
Development of improved means of getting consumers to indicate their  
needs -- particularly future needs -- in as specific a manner as possible  
should be addressed by all production elements of the Community.

36. The past several years have been marked by considerable  
progress toward systematizing and improving the guidance provided  
collectors. The identification of important information deficiencies  
as part of the "Key Intelligence Questions" evaluation process, the  
Defense Intelligence Agency's "Current Near-term Defense Intelligence  
Objectives (CNTDIO)" and the assignment of priorities to intelligence  
topics by individual country in the revised Attachment to DCID 1/2 are  
steps in this direction. But improved guidance is not enough. This  
should be accompanied by evaluation of the impact of collection guidance  
on actual results and on the conduct of operations in a manner which

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will provide better basis for making choices in resource allocations and budgets.

37. The manpower, equipment, processing costs, and the flow of data are integral elements to be carefully assessed at the time decisions are being reached on new or improved collection efforts. Care needs to be taken to insure, in particular, that imagery and signals intelligence collection capabilities are not programmed without careful measure of associated processing and exploitation costs, including any necessary research and development, and of arrangements to format processed data to optimize its utility to analysts.

38. The "communications explosion" is not an abstract phrase in exploitation either of the data acquired by technical sensors or of available open source information. The modes of communicating finished intelligence to consumers particularly needs reappraisal as systems take on more sophisticated forms. This includes understanding from both analyst and user viewpoints.

39. Raising the quality of intelligence analysis which goes into the expression of intelligence judgments remains an essential element of efforts to respond to the President's Directive of November 1971 that the "quality, scope and timeliness" of the intelligence product must be improved. The essentiality of focusing attention on analysis was clearly

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indicated by the post-mortem on the Arab-Israeli crisis of 1973 -- while other elements of the intelligence chain performed creditably, analysis was the weak link.

40. The improvement of analysis involves continuing attention to the proper selection and training of individual analysts, to improved organization of the data bases, and to positive application of effective quality controls throughout the intelligence production process. Special promotion treatment for those analysts who most clearly demonstrate high-quality output could contribute to their motivation. Means to accomplish this need to be devised. Good analysts should not have to move into executive or administrative positions to get promoted.

41. The Intelligence Community is experimenting with the use of quantitative methodologies which appear to offer promise of improving the expression of estimative judgments. Production organizations should deliberately seek out and test improved methodologies and techniques of estimative analysis and presentation, taking advantage of ongoing research and development in the informational and behavioral science fields. Particular attention should be given to better ways of describing and analyzing uncertainties in estimates dealing with the expected future course of events. Use of "Devil's Advocate" techniques also should be explored.



42. Basic improvement in information handling techniques and enhanced capability between and among computer-based systems are essential elements of the effort to upgrade the quality of intelligence analysis. Much attention has been focused in recent years on improving the means of collecting data and the time has come to concentrate more on the means by which collected data can better be manipulated and presented -- both for analysts use and for enhancing service to the intelligence consumer.

43. Improvement of the man-machine interface, along with the provision of fully adequate numbers of personnel for analysis and exploitation are both essential to cope with the quantities of data which collection systems make available. Facilities for information handling are the nervous system of the Community. The more effective this system is, the better personnel productivity can become. A rise of 2 or 3 percent per year in productivity, where this can be measured, could provide the flexibility needed to support advanced off-the-job training for intelligence personnel as well as permit space needs to hold level. Inter-agency integration of training offers further opportunities for productivity enhancement and operating economies.

44. Not the least complex of the various actions involved in increasing personnel productivity will be efforts to attain true "state-of-the-art" capabilities in the production and presentation of finished

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intelligence. Much has been done to push acquisition of state-of-the-  
art capabilities in complex collection systems, but less attention has been  
given to the problem of providing what is potentially achievable in  
support for analysts. Technology as advanced as that applied to the  
development of collection sensors may well be needed to optimize capa-  
bilities in other parts of the intelligence cycle and to devise better  
methodologies and techniques for processing, exploiting, analyzing and  
presenting intelligence to its users.

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### III MANAGEMENT

1. Problems of the scope and variety of those thus far described involve all management levels, but planning should begin with establishment by senior managers of well-defined objectives and the means needed to measure performance against objectives. Actions necessary to respond to anticipated future requirements should be identified, approaches defined and related both to new investment needs and to personnel recruitment and training needs so that any necessary resource adjustments can be projected.

2. The objectives of the individual managers should be coordinated through Community mechanisms so as to enhance the contributions of individual organizations to the total US intelligence effort and support the overall performance of the Community.

3. The President has provided a foundation for intelligence management objectives by his approval of the "Objectives for the Intelligence Community" of September 1973. This memorandum was organized around the five primary responsibilities assigned to the DCI in the President's memorandum of 5 November 1971, "Organization and Management of the US Foreign Intelligence Community." These responsibilities stressed the need for (1) improving the intelligence product and making it more responsive to national requirements, (2) assuring authoritative and

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responsible leadership for the Community as a whole, (3) making more efficient use of collection resources, (4) reviewing the assignment of intelligence functions and revising such assignments as necessary, and (5) insuring the provision of the intelligence needed for US policy making and for the planning and conduct of military operations by US forces.

4. The specific listing of management problems of current importance contained in the statement, "National Foreign Intelligence Management Objectives for FY 1974," *issued by the DDI in December 1973* after consultation with the IRAC, ~~will be followed by a set of management objectives for FY 1975.~~ Such statements are intended to make the identification and implementation of management objectives a central element of the functioning of the Intelligence Community.

5. For the longer-term future, the following conceptual goals are proposed as basis for the development of intelligence objectives:

- a. Changing the concept of the Intelligence Community to something more nearly representing a true Community through participatory management. ?
- b. Developing mechanisms for Community-wide planning.
- c. Creating meaningful evaluation systems to measure the cost effectiveness of intelligence activities. ✓

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d. Keeping intelligence programs firmly in phase with stated requirements and priorities.

e. Promoting an understanding of the operating dynamics of the Community as a foundation for any needed changes in roles, missions and functions.

6. The President has called upon the Director of Central Intelligence to assume responsibility for leadership of the Intelligence Community and to report to him on both Community needs and performance. Fulfilling this role requires Community-wide involvement of the DCI. To accomplish what the President expects, however, the Assistant Secretary of Defense for Intelligence and all intelligence program managers also have important roles to play which extend beyond the confines of their departmental or program responsibilities. The Department of Defense should insure full participation by the intelligence organizations of the military services and of the field commands in all areas in which they can contribute. The goal is active involvement of all elements of the Intelligence Community with the DCI in furtherance of Community interests. Even though the Community consists of a considerable number of separate organizational elements there is a growing indication that the President, the Congress and the National Security Council look upon it as a true Community for which the DCI is the spokesman. Participatory management should enhance the development of the Community planning which is essential to respond to the President's Directives.

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7. Community-wide planning today exists only in a relatively few large-scale activities involving technical collection sensors. The kind of world environment described in Part I, however, calls for broadening the use of the IRAC and considering individual planning initiatives from a Community vantage point as well as individual agency posture. The USIB and IRAC, plus the Intelligence Community Staff, provide the DCI a foundation from which this kind of planning review can evolve.

8. Integral to Community-wide planning is the devising of an "audit trail" from important substantive end products of the Intelligence Community back to the costs for collecting, processing and analyzing the data. The cost effectiveness of each contributor participating in each phase of the intelligence cycle needs to be related to values assigned to the resulting end product by the users. The "Key Intelligence Questions" and the process developed for evaluation of Community performance thereon will help define where dollars can best be allocated. Regular quarterly reporting to IRAC on how funds are being expended in the current year help identify and give visibility to the present program direction. These steps are a start on what will become an important ingredient in resource allocation.

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9. Inflation in operating costs clearly exists. These realities will require that much of management's time be devoted to planning, controlling and matching intelligence activities with stated intelligence requirements and priorities. There will be a continuing need for intensive budget reviews and special studies on resource matters.

10. Performance is intimately related to structure. Close attention to objectives and efforts to improve the overall performance of the Community may well call for adjustments in roles, missions, functional assignments, and perhaps to change in basic regulations. Any such changes need to be based on a good conceptual understanding of the operating dynamics of the Intelligence Community, and study and analysis in this field are encouraged. Management and analysis methodologies and techniques are available and should be applied.

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